

RESOLUTION OF THE MAYOR AND THE  
CITY COUNCIL OF THE CITY OF  
HIALEAH, FLORIDA, STRONGLY  
OPPOSING THE PROPOSED BASE RATE  
INCREASE BY FLORIDA POWER AND  
LIGHT ("FPL").

**WHEREAS**, the Mayor and the City Council of the City of Hialeah strongly oppose the proposed base rate increase by Florida Power and Light ("FPL"); and

**WHEREAS**, FPL provides electricity within the City of Hialeah ("Hialeah"), and Hialeah and its residents have no alternative but to purchase services from FPL; and

**WHEREAS**, the residents and businesses of Hialeah must also purchase electric service from FPL; and

**WHEREAS**, Hialeah and its residents and businesses continue to face a depressed economy with limited resources wherein jobs are being lost, incomes and revenues are static or declining, and home mortgages are being foreclosed, requiring Hialeah and its residents and businesses to live within their means and budget accordingly; and

**WHEREAS**, in March of 2012, FPL proposed a 16% base rate increase in order to ensure up to a 12.5% return on equity for its shareholders; and

**WHEREAS**, FPL benefits from more pass-through cost recovery mechanisms than any other regulated utility in the United States, including the Storm Cost Recovery Surcharge, the Fuel Cost Recovery Clause pass-through, the Environmental Cost Recovery Clause pass-through, the Capacity Cost Recovery Clause pass-through, the Conservation Cost Recovery pass-through, and the Nuclear Cost Recovery Clause pass-through, which mechanisms increase FPL's current cash flow without the scrutiny employed in a traditional rate case; and

**WHEREAS**, approximately 52% of the rates paid by FPL customers are currently paid pursuant to these cost recovery mechanisms, instead of through base rates; and

**WHEREAS**, in 2009, the Florida Public Service Commission ("PSC") awarded FPL only 7% of its requested base rate relief, yet FPL continued in 2010 and 2011 to report substantial earnings growth, including an increase of 14% in 2010 and 13% in 2011; and

**WHEREAS**, on October 4, 2010, the PSC staff recommended that the PSC investigate over-earning by FPL and order FPL to hold \$400 million for possible refunds to customers; however, customers never received refunds; and

**WHEREAS**, during these difficult economic times, a rate increase in electricity rates will present significant challenges for individuals, small businesses, schools, and local

governments, and will further exacerbate the current economic downturn and necessitate greater budget cuts.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF HIALEAH, FLORIDA, THAT:

**Section 1.** The foregoing facts and recitations contained in the preamble of this resolution are hereby adopted and incorporated by reference as if fully set forth herein.

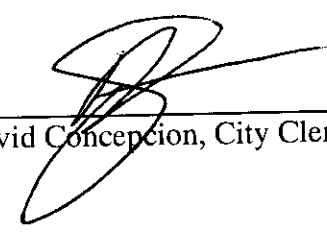
**Section 2.** The Mayor and the City Council of the City of Hialeah, Florida strongly oppose the proposed base rate increase by Florida Power and Light.

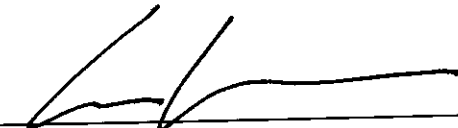
PASSED AND ADOPTED this 11 day of September, 2012.

  
\_\_\_\_\_  
Isis Garcia-Martinez  
Council President

Attest:

Approved on the 13 day of September, 2012.

  
\_\_\_\_\_  
David Concepcion, City Clerk

  
\_\_\_\_\_  
Mayor Carlos Hernandez

Approved as to legal sufficiency and form:

  
\_\_\_\_\_  
William M. Grodnick, City Attorney

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Resolution was adopted by a 6-0 vote with Councilmembers, Caragol, Cue-Fuente, Garcia-Martinez, Gonzalez, Hernandez and Lozano voting "Yes", Councilmember Casals-Munoz abstained.